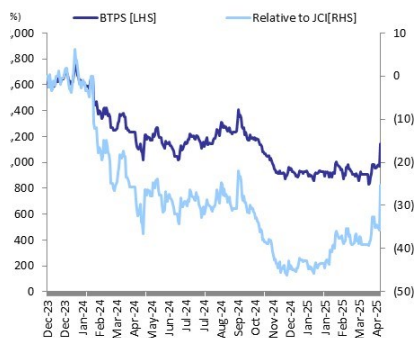


Buy

(Maintained)

Last Price (Rp)	1,140
Target Price (Rp)	1,300
Previous Target Price (Rp)	1,200
Upside/Downside	+14.0%
No. of Shares (mn)	7,704
Mkt Cap (Rpbn/US\$mn)	8,782/522
Avg, Daily T/O (Rpbn/US\$mn)	10.4/0.6
Free Float (%)	30.0
Major Shareholder (%)	
PT. BTPN Tbk.	70.0
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	147.7 164.7 177.3
Consensus	150.9 172.2 193.0
BRIDS/Cons (%)	(2.1) (4.4) (8.2)

BTPS relative to JCI Index



Source: Bloomberg

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Bank BTPN Syariah (BTPS IJ)

1Q25 Results: Better Asset Quality Supporting Earnings Growth Amid Asset Cleanup

- BTPS booked a net profit of Rp311bn in 1Q25 (+7% qoq, +18% yoy), driven by a lower CoC of 8.5% (-125bps qoq, -516bps yoy).
- Despite the improving asset quality, the bank remained conservative in asset and earnings growth, retaining flat asset and earnings target.
- Maintain Buy rating with a higher TP of Rp1,300. Key risk to our call includes changes in asset quality trend.

Bottom line supported by lower CoC

BTPS posted a net profit of Rp311bn in 1Q25 (+7% qoq, +18% yoy), slightly above our (29%) and consensus' (27%) FY25F. The profitability growth was driven by the lower CoC of 8.5% in 1Q25 (-125bps qoq, -516bps yoy) with a sequential improvement in NPL and LaR ratio. NPL ratio dropped to 3.3% (from 3.7%) and LaR ratio dropped to 5.8% (from 6.6%) with higher NPL and LaR coverage, suggesting that overall NPL formation was getting better. Nonetheless, the management hinted that it will be more confident in asset quality if they see consistency in 2Q25.

Loan growth trajectory remained conservative

Post continuous loan contraction, BTPS booked 1% qoq NP growth (-6% yoy), which indicate that the bank is becoming slightly more confident in its loan disbursement. Management stated that it will become more comfortable in disbursement upon seeing 3 key metrics, i.e., attendance rate above 90%, on time payment above 95%, and 50% solidarity fund implementation. Hence, the flat loan growth target is maintained for now. As the bank continues to focus on collection and asset quality, the operating expenses remained stable at Rp575bn (flat qoq, +5% yoy), reflecting higher field officers.

Better-than-expected CoC but we expect sequential downtrend

In 1Q25, BTPS's CoC stood at 8.5% (from 12.5% in FY24) better than our prev. FY25 estimates of 10.3%. We slightly lower out CoC est. to 9.7% to take into account the lower CoC in 1Q25, but we still expect sequential higher CoC in the coming quarter as we see the rising NPL cycle across segments in FY25F Indonesia banking sector.

Maintain Buy with a higher TP of Rp1,300

We raised our TP to Rp1,300 (from Rp1,200 prev.) reflecting a higher ROE for FY25F. We maintain our -1SD two-year avg. inverse CoE of 11.8%, reflecting concerns regarding asset growth, arriving at an FV PBV of 1.0x. Key risk is deteriorating asset quality.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
PPOP (Rpbn)	3,277	2,710	2,471	2,654	2,803
Net profit (Rpbn)	1,081	1,061	1,138	1,269	1,366
EPS (Rp)	140.3	137.7	147.7	164.7	177.3
EPS growth (%)	(39.3)	(1.8)	7.2	11.5	7.6
BVPS (Rp)	1,138.9	1,209.0	1,305.5	1,412.6	1,527.9
PER (x)	8.1	8.3	7.7	6.9	6.4
PBV (x)	1.0	0.9	0.9	0.8	0.7
Dividend yield (%)	6.2	3.0	3.2	3.6	3.9
ROAE (%)	12.6	11.7	11.7	12.1	12.1

Source: BTPS, BRIDS Estimates

Exhibit 1. BTPS's 1Q25 earnings summary

BTPS - Financials (Rpbn)	1Q24	4Q24	1Q25	qoq, %	yoy, %	1Q24	1Q25	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	1,373	1,331	1,297	-3%	-6%	1,373	1,297	-6%	5,186	5,423	25%	24%
Interest expense	126	122	123	1%	-3%	126	123	-3%	473	477	26%	26%
Net interest income	1,247	1,210	1,174	-3%	-6%	1,247	1,174	-6%	4,713	4,946	25%	24%
Other operating income	21	(12)	15	n/a	-30%	21	15	-30%	48	33	31%	44%
Operating expenses	549	575	575	0%	5%	549	575	5%	2,290	2,385	25%	24%
PPOP	719	623	614	-1%	-15%	719	614	-15%	2,471	2,595	25%	24%
Provision	384	251	218	-13%	-43%	384	218	-43%	1,077	1,110	20%	20%
Operating Profit	335	371	396	7%	18%	335	396	18%	1,394	1,485	28%	27%
Net profit	264	291	311	7%	18%	264	311	18%	1,088	1,163	29%	27%
Loans	11,035	10,274	10,367	1%	-6%	11,035	10,367	-6%	10,566	10,566	98%	98%
Customer deposits	11,739	11,724	11,643	-1%	-1%	11,739	11,643	-1%	11,959	12,384	97%	94%
Key Ratio												
				qoq, bps	yoy, bps			yoy, bps				
Financing yield (%) - ann	43.9	45.6	44.4	↓ (128)	↑ 49	43.9	44.4	↑ 49				
Cost of fund (%) - ann	4.2	4.1	4.2	↔ 7	↔ (2)	4.2	4.2	↔ (2)				
NIM (%)	24.6	24.5	23.8	↓ (71)	↓ (78)	24.6	23.8	↓ (78)				
CIR (%) - ann	43.3	48.0	48.3	↓ 34	↓ 503	43.3	48.3	↓ 503				
Cost of credit (%) - ann	13.6	9.7	8.5	↑ (125)	↑ (516)	13.6	8.5	↑ (516)				
ROE (%) - ann	12.2	12.7	13.1	↑ 44	↑ 90	12.2	13.1	↑ 90				
CASA ratio (%)	24.8	26.5	25.3	↓ (117)	↑ 46							
LDR (%)	94.0	87.6	89.0	↓ 141	↑ (496)							
NPL ratio (%)	2.9	3.7	3.3	↑ (39)	↓ 39							
NPL coverage (%)	338.0	242.3	259.6	↑ 1,733	↓ (7,835)							
LaR ratio (%)	11.1	6.6	5.8	↑ (76)	↑ (531)							
LaR coverage (%)	88.9	136.7	148.2	↑ 1,144	↑ 5,930							

Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BTPS's Changes in Forecast

BTPS - Forecast Changes	2025F (Prev)	2025F (Curr)	Δ%	2025F (Prev)	2026F (Curr)	Δ%
Net Interest Income (Rpbn)	4,713	4,713	-	5,029	5,029	-
PPOP (Rpbn)	2,471	2,471	-	2,654	2,654	-
Net profit (Rpbn)	1,088	1,138	4.54	1,219	1,269	4.11
BVPS (Rp)	1,301	1,306	0.32	1,404	1,413	0.60
Gross Loans (Rpbn)	10,566	10,566	-	11,068	11,068	-
Customer Deposits (Rpbn)	11,959	11,959	-	12,557	12,557	-
Ratios (%)	2025F (Prev)	2025F (Curr)	Δ bps	2025F (Prev)	2026F (Curr)	Δ bps
Net Interest Margin	23.6	23.6	-	24.2	24.2	-
Gross NPL Ratio	3.6	3.6	-	3.4	3.4	-
Cost/Income Ratio	48.1	48.1	-	47.8	47.8	-
Cost of Credit	10.3	9.7	(61)	10.1	9.5	(59)
ROAE	11.3	11.7	49	11.7	12.1	42

Source: Company, BRIDS Estimates

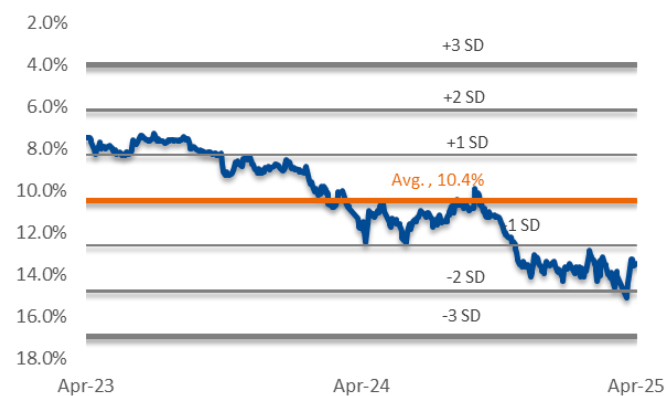
Exhibit 3. BTPS's Valuation

Gordon Growth Valuation with Inverse Cost of Equity

Parameters:	Remarks:
Cost of equity (%) - Mean	9.8 2-year avg
Cost of equity (%) - SD	2.0
SD used	(1.0)
Cost of equity (%) used	11.8
Long-term growth (%)	3.0 Long-term GDP growth
Forward ROE (%)	11.7 FY25F ROAE
Fair value P/BV (x)	1.0 $(ROAE - g) / (COC - g)$
BV/share (IDR)	1,306 FY25F Book value per share
Fair value (IDR)	1,300 Fair value P/BV multiple x BVPS

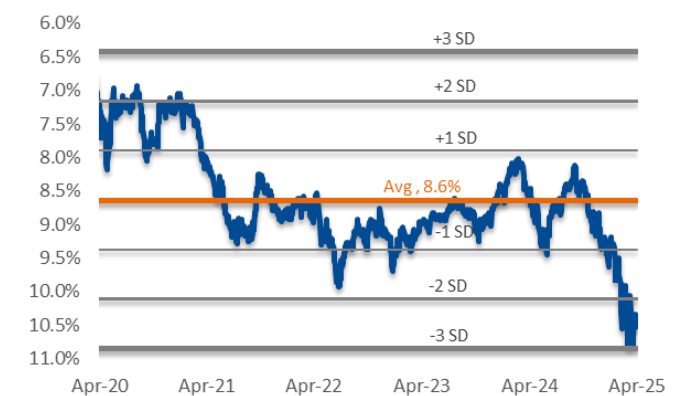
Source: Company, BRIDS Estimates

Exhibit 4. BTPS's cost of equity band chart (2-year)



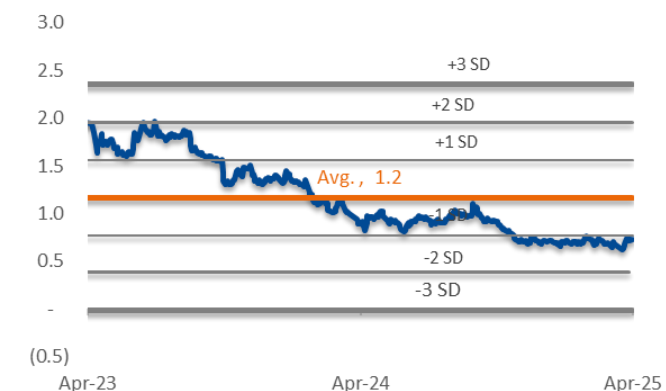
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 5. Sector's cost of equity band chart (5-year)



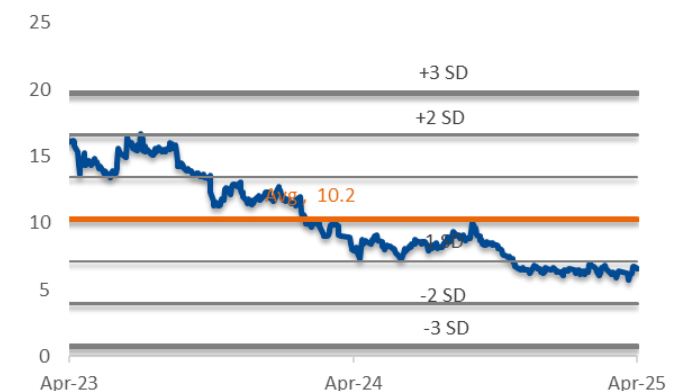
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. BTPS's P/BV band chart (2-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 7. BTPS's P/E band chart (2-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 8. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Interest Income	5,746	5,398	5,186	5,519	5,795
Interest Expense	(486)	(504)	(473)	(490)	(514)
Net Interest Income	5,260	4,894	4,713	5,029	5,281
Non-Interest Income (NII)	61	44	48	53	58
Oper. Income	5,321	4,938	4,761	5,082	5,339
Oper. Expenses	(2,044)	(2,228)	(2,290)	(2,429)	(2,536)
Pre-provisions profit	3,277	2,710	2,471	2,654	2,803
Provisions & Allowances	(1,898)	(1,360)	(1,013)	(1,028)	(1,052)
Operating Profits	1,379	1,351	1,458	1,626	1,751
Non-Operating Income	1	3	1	1	0
Exceptionals	0	0	0	0	0
Pre-tax Profit	1,380	1,353	1,459	1,627	1,751
Income Tax	(299)	(292)	(321)	(358)	(385)
Minorities	0	0	0	0	0
Net Profit	1,081	1,061	1,138	1,269	1,366

Exhibit 9. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Gross Loans	11,553	10,274	10,566	11,068	11,595
Provisions	(1,214)	(924)	(884)	(864)	(846)
Net Loans	10,339	9,350	9,682	10,204	10,749
Govt. Bonds	0	0	0	0	0
Securities	8,647	9,049	9,502	9,977	10,476
Other Earnings Assets	0	0	0	0	0
Total Earnings Assets	20,444	19,575	20,320	21,298	22,324
Fixed Assets	1,082	1,109	1,188	1,274	1,357
Non-Earnings Assets	294	273	379	436	543
Total Assets	21,435	21,748	22,506	23,954	25,498
Customer Deposits	12,143	11,724	11,959	12,557	13,185
Banks Deposits	0	0	0	0	0
Int. Bearing Liab. - Others	0	0	0	0	0
Total Liabilities	12,658	12,431	12,448	13,073	13,729
Share capital & Reserves	1,638	1,647	1,651	1,651	1,652
Retained Earnings	7,136	7,667	8,406	9,231	10,119
Shareholders' Funds	8,774	9,314	10,057	10,882	11,771
Minority interests	3	3	0	0	0
Total Equity & Liabilities	21,435	21,748	22,506	23,954	25,500

Exhibit 10. Key Ratios

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Yield on Earning Assets	28.7	27.0	26.0	26.5	26.6
Cost of funds	4.0	4.2	4.0	4.0	4.0
Interest Spread	24.7	22.8	22.0	22.5	22.6
Net Interest Margin	26.3	24.5	23.6	24.2	24.2
Cost/Income Ratio	38.4	45.1	48.1	47.8	47.5
Oper. Exp./Oper. Gross Inc.	76.3	75.2	72.2	70.8	70.1
Gross NPL Ratio	2.9	3.9	3.6	3.4	3.2
LLP/Gross NPL	363.2	242.3	242.2	242.1	242.1
Cost of Credit	16.3	12.5	9.7	9.5	9.3
Loan to Deposit Ratio	95.1	87.6	88.4	88.1	87.9
Loan to Funding Ratio	95.1	86.2	88.4	88.1	87.9
CASA Mix	25.6	26.5	26.5	26.5	26.5
ROAE	12.6	11.7	11.7	12.1	12.1
ROAA	5.1	4.9	5.1	5.5	5.5
CAR	56.6	48.6	43.1	44.2	45.4

Exhibit 11. Dupont and Growth

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Dupont					
Pre-Tax ROAA	6.5	6.3	6.6	7.0	7.1
Tax Retention rate	78.3	78.4	78.0	78.0	78.0
Post-Tax ROAA	5.1	4.9	5.1	5.5	5.5
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	2.5	2.4	2.3	2.2	2.2
ROAE	12.6	11.7	11.7	12.1	12.1
Growth (%)					
Interest income	6.9	(6.1)	(3.9)	6.4	5.0
Net Interest Income	4.6	(6.9)	(3.7)	6.7	5.0
Other Oper. Expenses	9.3	9.0	2.8	6.1	4.4
Fee Based Income	0.0	0.0	0.0	0.0	0.0
Pre-Provision Oper. Profit	1.6	(17.3)	(8.8)	7.4	5.6
Net Profit	(39.3)	(1.8)	7.2	11.5	7.6
Shareholders' Equity	4.4	6.1	8.0	8.2	8.2
Loan	(1.0)	(11.1)	2.8	4.7	4.8
Earnings Asset	4.4	(4.3)	3.8	4.8	4.8
Deposit	0.8	(3.4)	2.0	5.0	5.0
Int. Bearing Liab.	(0.1)	(1.8)	0.1	5.0	5.0
CASA	4.8	(0.3)	2.0	5.0	5.0
Total Asset	1.3	1.5	3.5	6.4	6.4

Source: BTPS, BRIDS Estimates

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INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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